Standard Chartered Bank Botswana Limited

Full Year Audited Financial Results for Period ended 31st December 2022

The directors have pleasure in announcing the Group (Standard Chartered Bank Botswana and its subsidiaries*) audited financial results of the Bank for the Period ended 31 December 2022 together with comparative figures for 2021

Accelerating Zero | Resetting Globalisation | Lifting Participation

Economic Environment

Global & Regional Economy

The multitude of headwinds that have faced most economies in 2022, are likely to persist in the months ahead. However, a recovery is expected to take hold in H2-2023 as the US and the Euro area emerge from relatively shallow recessions.

Taming inflation remains the top priority for central banks in the developed world – particularly the US Fed and the European Central Bank (ECB), which are still pursuing restrictive monetary policy to bring down demand-driven inflation. China will be an important driver of the expected global recovery in H2-2023, following anaemic growth of 3.0% in 2022. Consumption should start to recover in Q2 as the country gradually eases its zero-COVID stance and starts to reopen.

Economic reopening should also increase the effectiveness of other policy initiatives such as stimulus programmes, lending quotas and credit support measures, providing a boost to growth. The primary challenge for Sub-Saharan Africa (SSA) in 2023 will be financing. With the all-in cost of financing rising sharply and USD liquidity conditions tightening, market access is likely to be difficult for several SSA economies. These financing challenges in the context of USD strength have put pressure on regional currencies; this implies that SSA central banks will have to continue to hike rates in 2023. Inflation remains elevated in most of the region, except for South Africa, where inflation appears to have reached its peak.

Local Economy

The Botswana economy remained resilient in 2022, performing better than expected for both mining and non-mining sectors. GDP is expected to moderate to 3.9% in 2023 from 4.8% in 2022. A smaller contribution from the diamond sector in 2023 is forecast, reflecting a higher base as well as risks to demand from slowing global growth. A gradual recovery in tourist arrivals should support growth.

Implementation of infrastructure projects, as highlighted in the 2023-24 Budget Strategy Paper (BSP), should buoy investment growth; rising domestic incomes – particularly in the public sector – and easing inflationary pressures should support consumption. Headline inflation averaged 12.2% in 2022 and is expected to close the year with a single digit but still above the target objective. As a result, the Bank of Botswana (BoB) is expected to adopt a cautious stance in 2023 and keep the policy rate on hold before starting to implement a rate reduction in 2024.

A twin surplus is expected in the 2022/23 financial year. A likely second consecutive annual current account (C/A) surplus should support the ongoing recovery in FX reserves. Exports are expected to remain robust on elevated diamond prices, while easing food and fuel price pressures are likely to contain imports. Faster-than-expected consolidation of public finances should reduce fiscal vulnerabilities.

Business Performance

Statements of Profit or Loss

	31 Dec 2022 P'000	31 Dec 2021 P'000
Net Interest Income	583,149	444,811
Other Income	319,792	294,340
Operating Income	**902,941**	**739,151**
Operating Expenses	(606,876)	(659,462)
Profit before Impairment and Taxation	**296,065**	**79,689**
Credit loss expense on financial assets	(42,987)	(2,722)
Profit before Taxation	**253,078**	**76,967**
Taxation	**(51,252)**	**(16,656)**
Profit for the period	**201,826**	**60,311**

Our transition to becoming a truly digital bank delivered yet another strong financial year despite the uncertainty characterised by both our local and global operating environment. Our growth focus, cost and capital efficiency have lifted return on tangible equity (RoTE) to 16%, surpassing our group target of 10%. The Bank continued to build momentum by delivering strong income growth, maintaining discipline in managing its cost base ending with a notable increase in operating profit. Double digit net revenue growth of 22% year on year was supported by positive Corporate Commercial and Institutional Banking (CCIB) momentum and a favourable interest rate environment.

Our core business areas continued to deliver strong performances, with CCIB registering 69% revenue growth on the back of strong underlying business momentum and positive progress made against our strategic pillars. Our Consumer, Private & Business Banking (CPBB) segment, grew revenue by 8% largely benefiting from the higher policy rates in 2022. The digital business agenda remains critical to transform CPBB's growth and the transformation is gaining pace with digital adoption improving by 6% year on year to 76%. The business is also on a path to scale the personal segment through strategic partnerships following the launch of Agency banking in 2022. Operating expenses reduced by 8% reflecting operational efficiencies with cost-to-income ratio improving from 89% to 67% year on year. Expense efficiency is core to enabling the Bank to create positive operating leverage, whilst creating capacity to continue investing in strategic initiatives. Our credit quality remains strong, and we are well positioned to support economic growth despite continued economic uncertainty.

Segment Performance

	31 Dec 2022 P'000	31 Dec 2021 P'000
Consumer, Private & Business Banking	612,107	566,629
Corporate Commercial & Institutional Banking	290,834	172,522
Operating Income	**902,941**	**739,151**
Consumer, Private & Business Banking	(469,782)	(470,845)
Corporate Commercial & Institutional Banking	(137,094)	(188,617)
Operating Expenses	**(606,876)**	**(659,462)**
Consumer, Private & Business Banking	(42,554)	(32,491)
Corporate Commercial & Institutional Banking	(433)	29,769
Loan Impairment	**(42,987)**	**(2,722)**
Consumer, Private & Business Banking	99,771	63,293
Corporate Commercial & Institutional Banking	153,307	13,674
Operating Profit Before Tax	**253,078**	**76,967**

Net Interest Income and margin

	31 Dec 2022 P'000	31 Dec 2021 P'000
Net Interest Income	583,149	444,811
Average Interest-earning Assets	10,895,549	13,739,200
Average Interest-bearing Liabilities	11,426,963	10,483,129
Gross Yield (%)	8.44	5.60
Rate Paid (%)	2.94	2.80
Net Yield	5.50	2.80
Net Margin (%)	5.35	3.24

Interest expense continues to be elevated by market liquidity constraints, resulting in 14bps increase in rate paid. Interest expense management and achieving optimal funding mix strategies remains a focus area for the Bank.

Credit Quality

	31 Dec 2022 P'000	31 Dec 2021 P'000
Gross loans and Advances to customers	8,010,982	7,950,369
Of which Stage 1 and 2	7,851,430	7,736,039
Of which Stage 3	159,552	214,330
Expected Credit loss provisions	235,658	234,402
Of which Stage 1 and 2	127,992	88,409
Of which Stage 3	107,666	145,993
Net loans and Advances to customers	7,775,324	7,715,967
Of which Stage 1 and 2	7,723,438	7,647,630
Of which Stage 3	51,886	68,337
Collateral	5,897,369	4,159,089
Stage 1 and stage 2 exposures	5,797,402	3,956,960
Stage 3 exposures	99,967	202,129

Stage 1 and 2 impairment charge increased by 45% to BWP128mn, reflective of the tough operating environment characterised by job losses and the high unemployment rate. Stage 3 impairment remained stable, the CCIB book comprises of strong global institutions, and acceptable risk on sovereign entities, with no material credit horizon risk on these names.

CPBB impairment increased due to higher charge-offs resulting from redundancies. Ageing credit-impaired loans have resulted in increased provisioning in recognition of the doubtful recovery, due to clients' inability to pay as well as protracted litigation processes. Strict collections procedures are being followed to minimise losses from the ageing impaired accounts.

The Bank is monitoring looming retrenchments and implementing measures to minimize their impact on advances. The lending environment has been competitive with relaxed credit risk measures; however, our credit risk requirements remain robust without compromising our risk appetite.

Balance Sheet and Liquidity

	31 Dec 2022 P'000	31 Dec 2021 P'000
Assets		
Loans and advances to banks	5,311,347	4,057,690
Loans and advances to customers	7,775,324	7,715,967
Other Assets	3,338,334	3,763,312
Total assets	**16,425,005**	**15,536,969**
Liabilities		
Deposits from banks	1,237,989	653,341
Deposits from customers	13,024,890	12,618,006
Other Liabilities	1,005,466	1,217,141
Total liabilities	**15,268,345**	**14,488,488**
Equity	**1,156,660**	**1,048,481**
Advances-to-deposits Ratio (%)	60	61
Liquid Assets Ratio (%)	15.7	12.5

Total loans and advances up by 1% to BWP7.8bn. Balance sheet growth was largely driven by CCIB assets on the back of pipeline conversion and key mandates won. CPBB assets volumes reflected signs of recovery in the second half after a slow start to the year.

Customer deposits grew by 3% year on year to BWP13bn. Current Account and Savings Account (CASA) mobilisation initiatives have yielded positive results in deposits growth as total CASA grew by 18% YoY. The proportion of CASA to total deposits is expected to increase in 2023 from the ongoing efforts to reduce cost of funds through CASA mobilisation. As a result of a drop in assets at year end, advance to deposit ratio closed at 60%.

Risk Weighted Assets

	31 Dec 2022 P'000	31 Dec 2021 P'000
By Risk Type		
Credit	7,634,730	7,263,789
Market	29,456	26,057
Operational	758,749	724,479
Total RWA	**8,422,935**	**8,014,325**

Total Risk Weighted Assets (RWA) increased by BWP458mn (6%) ending the year at BWP8.4bn from BWP8bn in 2021, largely due to Credit Risk RWA which closed at BWP7.6bn (6% increase) driven by intergroup placements. Favourable interest rates in the international market presented opportunities for intergroup placements which contributed to a positive return on RWA (RoRWA).

Capital Base and ratios

	31 Dec 2022 P'000	31 Dec 2021 P'000
CET1 Capital	**706,531**	**596,858**
Additional Tier 1 Capital (AT1)	400,000	400,000
Tier 1 Capital	**1,106,531**	**996,858**
Tier 2 Capital	328,834	321,809
Total Capital	**1,435,365**	**1,318,667**
Capital adequacy ratio (%)	17.0	16.5
Regulatory Threshold (%)	12.5	12.5

Capital ratios remain within regulatory limits with CET 1 ending the year at 8% against regulatory limit of 4.5%, Tier 1 at 12% against regulatory limit of 7.5% and Capital Adequacy Ratio at 17% against temporary CAR relief of 12.5%.

Outlook

Standard Chartered Bank Botswana is the first, and currently only global Bank serving in this market. Our experience of over 125years in Botswana, speaks to our ability to remain relevant and evolve over time to meet the needs of our clients and shareholders. Our ability to remain resilient, both globally and at home, have seen us successfully navigate through the multiple upheavals that have affected our operating environment. Most recently, we have undergone tremendous pressure through the COVID – 19 pandemic, which devastated the global economy, this, coupled with elevated inflations which were exacerbated by geo-political tensions made for a challenging operating environment. Despite these, the Bank has remained resilient and has made good progress and is on track to deliver and surpass the strategy it launched in 2020.

As we make significant strides with our digital strategy, we recently launched Agent Banking which allows us to deliver holistic everyday banking solutions to a larger population. In the year 2023, we will continue to invest in partnerships and innovation as these are instrumental to our business, enabling us to increase our reach and relevance to serve clients in a meaningful way.

We are optimistic about 2023, largely based on the sound fundamentals that we have in place for sustainable business growth. Moreover, given the encouraging macroeconomic fundamentals and stable outlook, we are confident that these positive sentiments will translate into growth within the economy and thus giving us an opportunity to pursue business and deliver value to our shareholders.

Our Brand promise - Here for good, is a commitment that we have made over the years, one which lies at the very core of what we do, as we serve our employees, clients, partners, communities, and shareholders. Here for good holds us accountable to how we show up, as we focus on creating value for our stakeholders and even as we aim to maximise returns for our shareholders. Our evolution is guided by our clients, who remain at the centre of what we do. We look forward to serving this nation and our valued clients for another 125years, as we continue to leverage our global reach and local expertise for the benefit of all.

We are "Here for good"...

Dividend Declaration

A final dividend of 68.22 thebe per ordinary share has been proposed. Subject to final regulatory approvals, this dividend will be payable on or about 17th May 2023 to those shareholders registered at close of business on 5th May 2023 with an ex-dividend date of 3rd May 2023.

Independent Auditors Report

Our independent auditors Ernst & Young have audited the consolidated financial statements for the year ended 31 December 2022. The audit opinion report is available for inspection at our registered office.

Segment performance

Consumer, Private and Business Banking

The CPBB continued to grow through digital channels and introduce new ways of distribution to serve individuals and small-medium businesses. The introduction of agency banking in the last quarter of 2022 will continue to be a focus.

The business further expanded the focus on the affluent segment through the renewed focus on investment products. The segment continues to pursue the Bank's sustainability agenda having launched the Bank's first solar powered branch in Main Mall branch in the first half of 2022.

Segment performance has been strong, despite the slow pace of economic recovery and market headwinds. We continue to build on the strong foundations that we have laid and strengthen our focus on growing the key value drivers of our business.

Corporate, Commercial and Institutional Banking

CCIB long term strategy to focus on specific client segments and differentiate through product and system capabilities is yielding sustainable year on year improvement in financial performance. We have streamlined the business segment to our areas of comparative advantage and eliminated drags on the business.

The segment recorded income growth of 69% year on year. This was a balanced growth across all product lines as our clients overcame the challenges brought about by the Russia/Ukraine war in the first half of the year. This enabled pipeline conversion to resume. The introduction of Chinese Renminbi as the first Bank to offer this currency for onshore trading, is yielding results as we claw back market share. Bottomline profit grew 11x to end the year at BWP 154mn compared to prior year of BWP 14mn.

Our Balance sheet grew on the back of pipeline conversion and key mandates won. Our asset book grew 62% year on year. The composition of our asset book has historically been skewed towards short term, transactional trade. We took a specific decision to increase our medium assets, expanding our risk appetite within our target segments. Deposits from clients grew 8% year on year as we managed our deposit mix, leveraging on system differentiation (Straight2bank) to win key transaction banking mandates.

Our investments in digital platforms to deliver our digital strategy continues to yield results with costs declining 27% year on year. The digital strategy aims to avail a full digital experience to our clients for any transaction they undertake with the Bank. Credit impairments remain well controlled. This is down from a significant loss of BWP 19mn recorded at the start of the Covid pandemic to less than 1% of the Segment profit as we continue in our quest of sustainable lending.

By order of the Board

Doreen Khama
Chairperson

Mpho Masupe
Managing Director

Gaboronе
30 March 2023

Key Financial highlights

229% — Operating profit before tax P253 million; up 229%

235% — Profit after tax up 235% to P202 million

17% — Return on equity improved to 17% (2021: 5.8%)

22% — Operating income up 22% to P903 million

17% — Capital Adequacy Ratio (CAR) at 17% against the Covid relief regulatory requirement of 12.5%

6% — Total balance sheet grew 6%

Statements of profit and loss
For the year ended 31 December 2022

	Group 31 Dec 2022 P '000	Group 31 Dec 2021 P '000	Company 31 Dec 2022 P '000	Company 31 Dec 2021 P '000
Interest income	919,289	743,824	919,289	743,824
Interest expense	(336,140)	(299,013)	(336,140)	(299,013)
Net interest income	**583,149**	**444,811**	**583,149**	**444,811**
Fees and commission income	270,953	249,380	247,137	220,522
Fees and commission expense	(34,766)	(27,123)	(34,766)	(27,123)
Net fee and commission income	**236,187**	**222,257**	**212,371**	**193,399**
Net trading income	81,727	72,083	81,727	72,083
Other operating income	1,878	-	1,422	-
Operating income	**902,941**	**739,151**	**878,669**	**710,293**
Staff costs	(234,510)	(259,329)	(234,507)	(259,329)
Premises costs	(912)	(2,356)	(912)	(2,356)
General administrative expenses	(330,792)	(356,349)	(319,657)	(343,475)
Depreciation and amortisation	(40,662)	(41,428)	(40,662)	(41,428)
Operating expenses	**(606,876)**	**(659,462)**	**(595,738)**	**(646,588)**
Operating profit before impairment losses and taxation	**296,065**	**79,689**	**282,931**	**63,705**
Credit impairment	(42,987)	(2,722)	(42,987)	(2,722)
Profit before taxation	**253,078**	**76,967**	**239,944**	**60,983**
Taxation	(51,252)	(16,656)	(50,419)	(13,426)
Profit for the year	**201,826**	**60,311**	**189,525**	**47,557**
*Basic and diluted earnings per ordinary share (Thebe per share)	57.98	10.14	-	-

*** Basic and Diluted earnings per share comparatives have been restated**

Statement of changes in equity
For the year ended 31 December 2022

GROUP	Stated capital P '000	Revaluation reserve P '000	Statutory credit risk reserve P '000	Treasury share reserve P '000	Fair value reserve P '000	Retained earnings P '000	Parent company shareholders' equity P '000	Capital Contribution P '000	Total P '000
As at 01 January 2021	**179,273**	**25,696**	**19,152**	**(31,566)**	**(7,978)**	**447,197**	**631,774**	**428,213**	**1,059,987**
Profit for the period	-	-	-	-	-	60,311	60,311	-	60,311
Other comprehensive income	-	3,701	-	-	2,147	-	5,848	-	5,848
Distributions	-	-	-	-	-	(30,300)	(30,300)	-	(30,300)
Other movements	-	-	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	(47,365)	(47,365)	-	(47,365)
As at 31 December 2021	179,273	29,397	19,152	(31,566)	(5,831)	429,843	620,268	428,213	1,048,481
Profit for the period	-	-	-	-	-	201,826	201,826	-	201,826
Other comprehensive income/(loss)	-	-	-	-	(5,021)	-	(5,021)	-	(5,021)
Distributions	-	-	-	-	-	(30,300)	(30,300)	-	(30,300)
Other movements	-	-	-	-	-	1,985	1,985	-	1,985
Dividends on ordinary shares	-	-	-	-	-	(60,311)	(60,311)	-	(60,311)
As at 31 December 2022	**179,273**	**29,397**	**19,152**	**(31,566)**	**(10,852)**	**543,043**	**728,447**	**428,213**	**1,156,660**

Consolidated Segmental Reporting

	Consumer, Private & Business Banking P'000	Corporate, Commercial and Institutional Banking P'000	Total P'000
2022			
Profit or Loss			
Net interest revenue calculated using the effective interest method	388,736	194,413	583,149
Net fee and commission income	193,446	42,741	236,187
Net trading income & other operating income	29,925	53,680	83,605
Credit impairment	(42,554)	(433)	(42,987)
Net operating income	**569,553**	**290,401**	**859,954**
Operating expenses	(469,782)	(137,094)	(606,876)
Segment profit before taxation	99,771	153,307	253,078
Income tax expense			(51,252)
Profit for the year			**201,826**
Statement of financial Position			
Investment Securities	-	2,444,488	2,444,488
Loans and advances to customers	7,239,444	535,880	7,775,324
Other assets for reportable segments	137,155	6,068,038	6,205,193
Total assets for reportable segments	**7,376,599**	**9,048,406**	**16,425,005**
Deposits from non-bank customers	3,988,743	9,036,147	13,024,890
Other Liabilities (Assets) for reportable segments	(116,630)	2,360,085	2,243,455
Total liabilities for reportable segments	**3,872,113**	**11,396,232**	**15,268,345**
2021			
Profit or Loss			
Net interest revenue calculated using the effective interest method	352,188	92,623	444,811
Net fee and commission income	182,955	39,302	222,257
Net trading income & other operating income	31,486	40,597	72,083
Credit impairment	(32,491)	29,769	(2,722)
Net operating income	**534,138**	**202,291**	**736,429**
Operating expenses	(470,845)	(188,617)	(659,462)
Segment profit before taxation	**63,293**	**13,674**	**76,967**
Income tax expense			(16,656)
Profit for the year			**60,311**
Statement of financial Position			
Investment Securities	-	2,623,673	2,623,673
Loans and advances to customers	7,384,532	331,435	7,715,967
Other assets for reportable segments	165,091	5,032,238	5,197,329
Total assets for reportable segments	**7,549,623**	**7,987,346**	**15,536,969**
Deposits from non-bank customers	4,244,967	8,373,039	12,618,006
Other liabilities (Assets) for reportable segments	(91,065)	1,961,548	1,870,483
Total liabilities for reportable segments	**4,153,902**	**10,334,587**	**14,488,489**

Statements of financial position
as at 31 December 2022

	Group 31 Dec 2022 P '000	Group 2021 Restated P '000	Company 31 Dec 2022 P '000	Company 2021 Restated P '000
Assets				
Cash and balances at central banks	491,618	738,290	488,740	735,412
Derivative financial instruments	770	1,041	770	1,041
Loans and advances to banks	45,078	85,125	45,078	85,125
Loans and advances to customers	7,775,324	7,715,967	7,775,324	7,715,967
Investment securities	2,444,488	2,623,673	2,444,488	2,623,673
Other assets	40,175	67,188	16,206	68,548
Due from related parties	5,266,269	3,972,565	5,266,269	3,972,565
Current tax assets	-	69	-	69
Prepayments and accrued income	166,408	148,623	166,408	148,623
Investments in subsidiary undertakings	-	-	30	30
Goodwill and intangible assets	63,150	49,005	63,150	49,005
Property, plant and equipment	101,599	96,488	101,599	96,488
Deferred tax assets	30,126	38,935	27,977	35,870
Total assets	**16,425,005**	**15,536,969**	**16,396,039**	**15,532,416**
Liabilities				
Deposits by banks	860,239	417,655	860,239	417,655
Customer accounts	13,024,890	12,618,006	13,024,890	12,618,006
Derivative financial instruments	469	4,611	469	4,611
Debt securities in issue	323,566	323,566	323,566	323,566
Other liabilities	139,986	402,192	169,775	441,009
Due to related parties	377,750	235,686	377,750	235,686
Current tax liabilities	20,634	787	18,749	-
Accruals and deferred income	129,366	95,257	129,366	95,257
Subordinated liabilities	389,000	389,000	389,000	389,000
Provisions for liabilities and charges	2,445	1,728	2,445	1,729
Total liabilities	**15,268,345**	**14,488,488**	**15,296,249**	**14,526,519**
Equity				
Stated capital	179,273	179,273	179,273	179,273
Retained earnings and other reserves	549,174	440,995	492,304	398,411
Total parent company shareholders' equity	**728,447**	**620,268**	**671,577**	**577,684**
Capital contribution	428,213	428,213	428,213	428,213
Total equity excluding non-controlling interests	**1,156,660**	**1,048,481**	**1,099,790**	**1,005,897**
Total equity	**1,156,660**	**1,048,481**	**1,099,790**	**1,005,897**
Total equity and liabilities	**16,425,005**	**15,536,969**	**16,396,039**	**15,532,416**

Cashflow statements
For the year ended 31 December 2022

	Group 31 Dec 2022 P '000	Group 2021 Restated P '000	Company 31 Dec 2022 P '000	Company 2021 Restated P '000
Cash flows from operating activities				
Profit for the year	201,826	60,311	189,525	47,557
Adjustments for:				
Interest income	(919,289)	(743,824)	(919,289)	(743,824)
Interest expense	336,140	299,013	336,140	299,013
Taxation	51,252	16,656	50,419	13,426
Depreciation	28,477	30,575	28,477	30,575
Amortisation on intangibles	12,185	10,852	12,185	10,852
Net impairment loss on loans and advances	1,255	25,694	1,255	25,694
Unrealised foreign exchange (gains)/ losses	(20,034)	1,469	(20,034)	1,469
Modification gains	(1,878)	-	(1,422)	-
Movement in provisions	-	(23,158)	-	(23,158)
Profit on sale of assets	(1,062)	-	(1,062)	-
Movements before changes in working capital	**(311,128)**	**(322,412)**	**(323,806)**	**(338,396)**
Change in derivative financial instruments assets	20,305	7,876	20,305	7,876
Change in investment securities	182,059	(507,807)	182,059	(507,807)
Change in loans and advances to customers	(58,734)	374,019	(59,190)	374,019
Change in other assets	27,013	(40,098)	52,342	(41,488)
Change in prepayments and accrued income	(21)	(15,823)	(21)	(15,822)
Change in deposits from other banks	442,584	85,710	442,584	85,710
Change in Customer accounts	406,884	745,167	406,884	745,167
Change in other liabilities	(279,901)	199,553	(294,760)	213,374
Change in derivative financial instruments liabilities	(4,142)	872	(4,142)	872
Change in due to related parties	142,064	131,160	142,064	131,158
Change in accruals and deferred income	(19,740)	38,184	(9,740)	38,184
Change in provisions for liabilities and charges	717	-	716	-
	547,960	696,401	545,295	692,847
Taxation paid	(26,395)	(24,475)	(23,730)	(20,922)
Interest received	901,525	736,591	901,525	736,591
Interest paid	(236,137)	(265,087)	(236,137)	(265,087)
Net cash flows from operating activities	**1,186,953**	**1,143,430**	**1,186,953**	**1,143,429**
Cash flows from investing activities				
Acquisition of property and equipment	(1,766)	(11,549)	(1,766)	(11,549)
Acquisition of intangibles	(26,330)	(21,076)	(26,330)	(21,076)
Proceeds from sale of property equipment	3,500	-	3,500	-
Net cash used in investing activities	**(24,596)**	**(32,625)**	**(24,596)**	**(32,625)**
Cash flows from financing activities				
Cash raised from issue of debt securities	-	323,566	-	323,566
Interest paid on subordinated liabilities	(23,604)	(21,189)	(23,604)	(21,189)
Interest paid on debt securities	(22,550)	(11,005)	(22,550)	(11,005)
Lease liability capital payments	(18,778)	(18,491)	(18,778)	(18,491)
Lease liability interest payments	(2,232)	(1,819)	(2,232)	(1,819)
Dividends paid	(60,311)	(47,365)	(60,311)	(47,736)
Distribution payment to holders of subordinated capital securities	(30,300)	(30,300)	(30,300)	(30,300)
Net cash (used in)/from financing activities	**(157,775)**	**193,397**	**(157,775)**	**193,026**
Increase in cash and cash equivalents	**1,004,582**	**1,304,202**	**1,004,582**	**1,303,830**
Cash and cash equivalents at 1 January	**4,795,980**	**3,477,462**	**4,793,102**	**3,474,956**
Net foreign exchange differences	**2,403**	**14,316**	**2,403**	**14,316**
Cash and cash equivalents as 31 December	**5,802,965**	**4,795,980**	**5,800,087**	**4,793,102**